

Message Text

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70

ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 INT-08 GSA-01 OEP-01 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01

NSC-10 SS-15 STR-08 CEA-02 DODE-00 RSR-01 /132 W

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R 061930 Z APR 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7109

INFO AMCONSUL RIO DE JANEIRO

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E. O. 11652: N/ A

TAGS: EMIN ECON BR

SUBJECT: STOCKPILE - QUARTZ CRYSTAL

REF: STATE 46788

BEGIN SUMMARY: GENERAL TREND OF BRAZILIAN QUARTZ INDUSTRY CONTINUES DOWNWARD, AND ALTHOUGH TONNAGE OF ELECTRONIC GRADE EXPORTED IN 1972 INCREASED, VALUE DECLINED. SUPPLY OF ELECTRONIC GRADE QUARTZ REMAINS GOOD BUT DEMAND GENERALLY HAS LESSENED IN PAST FEW YEARS AS MEASURED BY EXPORTS. GRADE 3 QUARTZ, CONSIDERED ABOUT ONE- THIRD USABLE, HAS LIMITED MARKET, BUT APPARENTLY LITTLE OR NONE IN BRAZIL. TELEQUARTZ REPORTEDLY PLANNING TO EXPORT GRADE 3 MATERIAL TO EUROPEAN MARKET. END SUMMARY.

1. STATE OF BRAZILIAN QUARTZ INDUSTRY IN GENERAL CAN BE CONSIDERED AS RELATIVELY POOR. SALES (EXPORTS) HAVE DIMINISHED FOR LASCA, AND EVEN THOUGH EXPORTS OF CRUDE CRYSTAL FOR 11 MONTHS IN 1972 INCREASED MARKEDLY OVER ANY YEAR SINCE 1965 THE TOTAL VALUE REPORTED FOR THIS PERIOD WAS DOWN TO A 48 CENTS A POUND AVERAGE FOR CRYSTAL.

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2. COMPARATIVE DATA ON PRODUCTION AND \$ VALUE PER POUND OF CRUDEY CRYSTAL, ELECTRONIC GRADE, FOR TENYEAR PERIOD AND 11 MONTHS OF 1972 ARE: 1962, 174 METRIC TONS, \$2.49 PER LB; 1963, 172, 1.99; 1964, 140, 3.25; 1965, 278, 3.06; 1966, 162, 3.13; 1967, 112, 2.89; 1968, 72, 2.99; 1969, 75, 3.53; 1970, 176, 1.08; 1971, 41, 0.89; 1972(11 MO.), 246, 0.48.

3. BRAZIL IS DEVELOPING A PIEZOELECTRIC- GRADE GROUND QUARTZ INDUSTRY; 1970-71 DATA ARE GIVEN IN RIO A-236, OCT 10, 1972. COMPARABLE FIGURES FOR 11 MONTHS IN 1972 ARE 39 M. T. AT \$4.02 PER KILO AVERAGE. AS FOR OTHER GRADES OF QUARTZ THE QUANTITY IS INCREASING FOR 1972 BUT THE UNIT VALUE APPEARS TO BE DROPPING.

4. GRADE 3 QUARTZ IS THAT GRADE OF WHICH ONLY ABOUT 30 PERCENT IS USABLE-- TOO LOW TO BE PROCESSED ECONOMICALLY EXCEPT IN LOW LABOR COST COUNTRIES. THERE APPEARS TO BE NO MARKET IN BRAZIL AND PROBABLY SHOULD BE CONSIDERED ALONG WITH LASCA AS EXPORTABLE ONLY FOR FUSING PURPOSES OR POSSIBLY, WHEN GRADED, AS ARTIFICIAL QUARTZ NUTRIENT.

5. TELEQUARTZ EXPORTADORA, LTDA. (NAZIR KOSACK), SANTO CRISTO 37, RIO DE JANEIRO, REPORTED (BY SOURCE CONSIDERED RELIABLE) TO BE PLANNING REEXPORT OF GRADE 3 QUARTZ FROM US STOCKPILE PURCHASE TO UK, FRANCE, AND WEST GERMANY, BUT NONE TO RUSSIA. HOW THIS QUARTZ WILL BE USED IS NOT KNOWN. TELEQUARTZ CONTACT STATED THAT COMPANY HAS SOME GRADE 3 STOCK IN BRAZIL BUT UNABLE TO SELL. ALSO THAT JAPANESE ARE NOW USING GRADE 3 FOR BEADS AND COSTUME JEWELRY. APPARENTLY THEY HAVE DEVELOPED METHOD OF DARKENING QUARTZ TO DESIRABLE SMOKY HUE. NO SALES MADE BY TELEQUARTZ TO JAPANESE.

6. QUARTZ INDUSTRY IS DEPRESSED BY FACTORS OF LESSENING DEMAND AND GRADUAL DISPLACEMENT OF NATURAL BY ARTIFICIALLY GROWN CRYSTAL. UNDER THESE CIRCUMSTANCES, IT IS POSSIBLE THAT DISPOSALS FROM STOCKPILE CAN HAVE IMPACT ON PRICES. THE NEED FOR LASCA AS NUTRIENT FOR GROWING CRYSTAL IN US INDICATES DESIRABILITY OF MAINTAINING A MINIMUM QUARTZ TRADE WITH BRAZIL TO KEEP A SUPPLY AVAILABLE. THIS WOULD MEAN ALSO A MINIMUM TRADE IN HIGHER- PRICED CRYSTAL TO INSURE A CONTINUED FLOW OF LASCA WHICH OTHERWISE WOULD BE UNECONOMIC LIMITED OFFICIAL USE

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TO PRODUCE.

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*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 06 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BRASIL01952
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730435/aaaahuhq.tel
Line Count: 120
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 46788
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 16 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Jan-2002 by boyleja>; APPROVED <05-Feb-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971204
Subject: STOCKPILE - QUARTZ CRYSTAL
TAGS: ECON, EMIN, BR
To: EB
RIO DE JANEIRO
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005